ELEMENTAL ALTUS ROYALTIES CORP.
(formerly Elemental Royalties Corp.)

CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(Expressed in US Dollars)

Independent auditor's report

To the Shareholders of Elemental Altus Royalties Corp. (formerly Elemental Royalties Corp.)

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Elemental Altus Royalties Corp. and its subsidiaries (together, the Company) as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

Valuation of royalty interests, investment in associates, and the Diba Lakanfla exploration & evaluation asset acquired as part of the acquisition of Altus Strategies PLC (Altus)
 	
Refer to note 2 – Basis of presentation, note 3 – Significant accounting policies and note 4 – Acquisition of Altus Strategies PLC to the consolidated financial statements.
 	
On August 16, 2022, the Company acquired all the issued and outstanding common shares of Altus for total consideration of $68.5 million. The total fair value of the assets acquired in the amount of $104.6 million included $25.8 million, $37.7 million and $23.7 million related to royalty interests, investment in associates, and the Diba Lakanfla exploration and evaluation asset ("Diba E&E assets") respectively.
 	
The valuations of the acquired producing royalty interests were performed using an income based approach based on discounted cash flow models which included the following significant assumptions: future projected commodity prices, discount rates, and forecasted production based on mineral reserve and resource estimates from the operators. The valuations of the acquired development and exploration royalty interests, investment in associates, and Diba E&E assets were valued using market based approaches, utilizing historical royalty and exploration asset sale transactions and industry and/or economic trends.
	Our approach to addressing the matter included the following procedures, among others:
	
	• Tested how management estimated the fair value of the royalty interests, investment in associates and Diba E&E assets acquired as part of the Altus acquisition, which included the following:
	  – Evaluated the appropriateness of the income and market based valuation approaches.
	  – Tested the underlying data used by management in the valuations.
	  – Evaluated the reasonableness of future projected commodity prices by comparing the future projected commodity prices with external market and industry data.
	  – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the forecasted production based on mineral reserve and resource estimates from the operators. As a basis for using this work, the competence, capabilities and objectivity of management's experts was evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by

Key audit matter	How our audit addressed the key audit matter
Management's estimates of forecasted production based on mineral reserve and resource estimates from the operators are based on information compiled by qualified persons (management's expert). We considered this a key audit matter due to the judgment applied by management in estimating the fair value of the royalty interests, investment in associates and Diba E&E assets acquired as part of the Altus acquisition, including the development of the significant assumptions. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the significant assumptions used by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	management's experts and an evaluation of their findings. – Professionals with specialized skill and knowledge in the field of valuation assisted with assessing the appropriateness of the valuation methodology; and the reasonableness of the discount rates, historical royalty and exploration asset sale transactions and industry and/or economic trends.
Impairment assessment of stream and royalty interests, the SLM California investment in associate and Diba E&E assets *Refer to note 2 – Basis of presentation, note 3 – Significant accounting policies; note 7 – Stream and royalty interests; note 9 – Investment in associates and note 22 – Held for sale assets and liabilities and discontinued operations to the consolidated financial statements.* As at December 31, 2022, the carrying amounts of the Company's stream and royalty interests, its Sociedad Legal Minera California Una de la Sierra Peña Negra ("SLM California") investment in associate which owns the royalty interest in the Caserones copper mine and Diba E&E assets (reclassified as held-for-sale assets) were \$101.2 million, \$33.4 million and \$19.3 million, respectively. Management assesses whether any indication of	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's assessment of impairment indicators for a sample of the stream and royalty interests and the SLM California investment in associate which owns the royalty interest in the Caserones copper mine, related to significant changes in future commodity prices, discount rates, operator mineral reserve and resource estimates from the operators or other relevant information received from the operators that indicate production from the interests will not likely occur or may be significantly reduced in the future, by considering: – the current and past performance of the underlying mining operation associated with the interests;

Key audit matter	How our audit addressed the key audit matter
impairment exists at the end of each reporting period for each stream and royalty interest and the SLM California investment in associate, including assessing whether there are observable indications that the asset's value has declined during the period. If such an indication exists, the recoverable amount of the interest is estimated in order to determine the extent of the impairment (if any). Management uses judgment when assessing whether there are indicators of impairment, such as significant changes in future commodity prices, discount rates, operator mineral reserve and resource estimates from the operators or other relevant information received from the operators that indicate production from the interests will not likely occur or may be significantly reduced in the future. Management identified indicators of impairment for the Ming Gold Stream and the Wahgnion royalty interests, and the sale process of the Diba E&E assets also triggered an impairment assessment. As a result management performed an impairment test to determine the recoverable amount for each of these assets. The recoverable amounts of these assets were based on a fair value less cost of disposal method using discounted cash flow models. The determination of the recoverable amounts included the following significant assumptions: future projected commodity prices, discount rates, and forecasted production based on mineral reserve and resource estimates from the operators. Management's estimates of forecasted production based on mineral reserve and resource estimates from the operators are based on information compiled by qualified persons (management's expert).	– external market and industry data; – the publicly disclosed information by operators of the underlying mining operation associated with the interests; and – consistency with evidence obtained in other areas of the audit. • Tested how management determined the recoverable amounts of the Ming Gold Stream, the Wahgnion royalty interests and the Diba E&E assets, which included the following: – Evaluated the appropriateness of the fair value less cost of disposal method. – Evaluated the reasonableness of future projected commodity prices by comparing the future projected commodity prices with external market and industry data. – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the forecasted production based on mineral reserve and resource estimates from the operators. As a basis for using this work, the competence, capabilities and objectivity of management's experts was evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings. – Professionals with specialized skill and knowledge in the field of valuation assisted in assessing the reasonableness

Key audit matter	How our audit addressed the key audit matter
Where the carrying amounts of the assets exceeded the recoverable amounts an impairment charge was recorded. An impairment charge of $4.5 million was recognized during the year ended December 31, 2022. We considered this a key audit matter due to the judgment made by management in assessing whether impairment indicators exist for stream and royalty interests and the SLM California investment in associate, and in determining the recoverable amounts of the Ming Gold Stream and the Wahgnion royalty interests and the Diba E&E assets, and a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence related to management's assessment of impairment indicators and the assessment of the significant assumptions used in determining the recoverable amounts. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	of the discount rates used within the discounted cash flow models.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dean Larocque.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 27, 2023

ELEMENTAL ALTUS ROYALTIES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the years ended December 31, 2022 and 2021
(Expressed in thousands of US Dollars)

	Notes	December 31, 2022 $'000	December 31, 2021 $'000
Assets			
Current assets			
Cash and cash equivalents	5	17,478	6,110
Accounts receivable and other	6	2,890	2,378
Held-for-sale assets	22	19,864	-
Total current assets		40,232	8,488
Non-current assets			
Stream and royalty interests	7	101,278	68,007
Exploration and evaluation assets	8	2,757	-
Equipment and right-of-use assets		193	-
Investments in associates and other	9	40,255	-
Investments	10	1,213	-
Total non-current assets		145,696	68,007
Total assets		185,928	76,495
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	2,441	1,442
Held-for-sale liabilities	22	4,952	-
Total current liabilities		7,393	1,442
Non-current liabilities			
Borrowings	12	30,000	24,430
Deferred tax liability	14	2,070	153
Lease liabilities		38	-
Total non-current liabilities		32,108	24,583
Total liabilities		39,501	26,025
Equity			
Share capital	13	165,038	56,437
Contributed surplus		6,987	1,717
Accumulated other comprehensive income ("AOCI")		340	43
Deficit		(25,938)	(7,727)
Total equity		146,427	50,470
Total liabilities and equity		185,928	76,495

Nature of operations (Note 1)
Commitments (Note 21)
Subsequent events (Note 23)

Approved by the Board of Directors on April 27, 2023

Frederick Bell, CEO/Director ___ "Frederick Bell" ______

Martin Turenne, Director ___ "Martin Turenne" ____

ELEMENTAL ALTUS ROYALTIES CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the years ended December 31, 2022 and 2021
(Expressed in thousands of US Dollars)

	Notes	2022 $'000	2021 $'000
Revenue from royalty interests	7	8,962	6,611
Stream revenue	7	677	-
Total Revenue		**9,639**	**6,611**
Cost of sales, excluding depletion		(138)	-
Depletion of royalty interests	7	(5,409)	(2,884)
Gross profit		**4,092**	**3,727**
General and administrative expenses	15	(3,085)	(2,971)
Project evaluation expenses	15	(316)	(435)
Impairment charge	7, 22	(4,484)	-
Share-based compensation expense	13	(4,066)	(638)
Hostile takeover bid expenses		(1,684)	-
Transaction and integration expenses	4, 16	(3,928)	-
Share of profit/(loss) of associate	9	74	-
Loss from operations		(13,397)	(317)
Other income and expenses			
Interest income and expenses		23	15
Interest and finance expenses	12	(4,297)	(3,025)
Loss on extinguishment of loan	12	(1,254)	-
Gain on extinguishment of loan	12	1,076	-
Fair value losses		(194)	-
Foreign exchange loss		(281)	(36)
Other income and expense		(8)	-
Loss before income taxes		(18,332)	(3,363)
Tax recovery/(expense)		121	(1,363)
Net loss for the year of continuing operations		(18,211)	(4,726)
Net profit of discontinued operations		-	-
Total net loss		(18,211)	(4,726)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation adjustment		297	3
Other comprehensive income		297	3
Total comprehensive loss		(17,914)	(4,723)
Loss per share – basic and diluted			
Discontinued operations		-	-
Continuing operations		(0.17)	(0.07)
Total net loss		(0.17)	(0.07)
Weighted average number of shares outstanding – basic and diluted		104,942,966	66,444,025

ELEMENTAL ALTUS ROYALTIES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in thousands of US Dollars)

	2022 $'000	2021 $'000
Operating activities		
Net loss for the year on continuing operations	(18,211)	(4,726)
Adjustments for:		
Depletion of royalty and stream interests	5,409	2,884
Depreciation of property, plant and equipment	36	-
Impairment charge	4,484	-
Unrealized foreign exchange	577	14
Share-based compensation expense	4,066	638
Gain on extinguishment of debt	(1,076)	-
Loss on extinguishment of debt	1,254	-
Fair value losses	194	-
Share of profit of associate	(74)	-
Interest and finance expenses, net	2,537	3,010
	(804)	1,820
Changes in non-cash working capital items:		
Accounts receivable and other	146	(1,161)
Accounts payable and accrued liabilities	(65)	460
Net cash (used in) provided by operating activities	(723)	1,119
Investing activities		
Purchase of royalty interests	-	(40,136)
Purchase of stream interest	(11,377)	-
Proceeds on disposal of PPE	62	-
Exploration and evaluation assets	(1,290)	-
Cash received on acquisition of Altus (Note 4)	7,875	-
Distribution from associate	1,340	-
Other	1	15
Cash used in investing activities	(3,389)	(40,121)
Financing activities		
Proceeds from issue of shares	14,928	12,667
Share issue costs	(150)	(741)
Net interest paid	(2,537)	(2,556)
Proceeds from borrowings	3,922	24,833
Transaction costs of borrowing	(391)	-
Other	(11)	-
Net cash provided by financing activities	15,761	34,203
Exchange differences on cash and cash equivalents	(281)	(12)
Change in cash and cash equivalents	11,368	(4,811)
Cash and cash equivalents, beginning of the year	6,110	10,921
Cash and cash equivalents, end of the year	17,478	6,110

Supplemental cash flow information (Note 19)

ELEMENTAL ALTUS ROYALTIES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in thousands of US Dollars)

	Ordinary shares #	Share capital $'000	Contributed Surplus $'000	AOCI $'000	Deficit $'000	Total Equity $'000
Balance as at December 31, 2020	44,524,734	28,792	1,079	40	(3,001)	26,910
Issued during the year (Note 13):						
For cash	10,748,132	12,667	-	-	-	12,667
Less: finders' fees	-	(584)	-	-	-	(584)
Less: other cash issuance costs	-	(208)	-	-	-	(208)
Pursuant to royalty acquisition	13,065,100	15,000	-	-	-	15,000
Pursuant to loan as a finance cost	653,255	770	-	-	-	770
Share-based compensation expense	-	-	638	-	-	638
Loss and comprehensive loss for the year	-	-	-	3	(4,726)	(4,723)
Balance as at December 31, 2021	68,991,221	56,437	1,717	43	(7,727)	50,470
Issued during the year (Note 13):						
Pursuant to acquisition of Altus Strategies plc	69,688,995	67,340	-	-	-	67,340
For cash	13,245,997	14,928	-	-	-	14,928
Less: other cash issuance costs	-	(150)	-	-	-	(150)
Conversion of La Mancha loan	28,959,797	26,483	-	-	-	26,483
Options and warrants issued on acquisition of Altus Strategies plc	-	-	1,204	-	-	1,204
Share-based compensation expense	-	-	4,066	-	-	4,066
Loss and comprehensive loss for the year	-	-	-	297	(18,211)	(17,914)
Balance as at December 31, 2022	180,886,010	165,038	6,987	340	(25,938)	146,427

1. NATURE OF OPERATIONS

Elemental Altus Royalties Corp. (the "Company" or "Elemental") was incorporated (as Elemental Royalties Corp.) on March 11, 2014 under the laws of the Province of British Columbia. The Company is primarily involved in the acquisition and generation of precious metal royalties. The head office and principal address is Suite 1020, 800 West Pender Street, Vancouver, British Columbia, Canada. The Company's common shares trade on the TSX Venture Exchange under the ticker symbol "ELE" and the OTCQX market under the trading symbol "ELEMF".

During the year, the Company completed a share-for-share merger of equals with Altus Strategies plc ("Altus") under the terms of which the Company acquired the entire issued share capital of Altus (see Note 4).

2. BASIS OF PRESENTATION

(A) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

The financial statements are presented in US Dollars. The notation "$" represents US dollars, "C$" represents Canadian dollars, and A$ represents Australian dollars.

The financial statements were approved by the board and authorized for issue on April 27, 2023.

(B) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Material subsidiaries are listed in the following table:

Name	Country of Incorporation	Functional Currency	% Equity Interest as at December 31, 2022	2021
Elemental Royalties Limited	BVI	US Dollar	100	100
Elemental One Limited	BVI	US Dollar	100	100
Elemental Royalties (Australia) Pty Ltd	Australia	US Dollar	100	100
Elemental Resources Limited	England & Wales	Pound Sterling	100	100
Altus Strategies Limited	England & Wales	US Dollar	100	-
Altus Exploration Management Limited	England & Wales	Pound Sterling	100	-
Akh Gold Limited	England & Wales	Pound Sterling	100	-
Akh Gold Limited (branch)	Egypt	Egyptian Pound	100	-
LGC Exploration Mali SARL	Mali	West African Franc	100	-

The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date the Company's control over the subsidiary ceases. Control is achieved when the Company satisfies the following conditions:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

In general, there is a presumption that holding a majority of voting rights results in control. To support this presumption, and when the Company holds less than a majority of the voting rights or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- Contractual arrangements with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an interest commences when the Company obtains control over the interest and ceases when the Company loses control of the interest. Assets, liabilities, income and expenses of an interest acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the interest.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent company of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Joint arrangements exist where the Company has joint control of an entity and they are classified as either a joint operation or a joint venture.

Entities are recognized as joint operations if the following criteria are fulfilled:

- Their legal form gives parties rights to the assets and obligations for the liabilities relating to the joint arrangement
- The contractual terms of the joint arrangement specify that parties have rights to the assets and obligations for the liabilities relating to the arrangement.
- The arrangement has been designed by the parties so that its activities provide the parties with an output which represents rights to substantially all of the economic benefits of the assets held in the separate vehicle

Joint operations are accounted for by recognizing the Company's share of any jointly held or incurred assets, liabilities, revenues and expenses. Joint ventures and investments in associates are accounted for using the equity method.

An associate is an entity over which the Company has significant influence and is neither a subsidiary nor a joint operation. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

All intra-group assets and liabilities, equity income, expense and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

(C) Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgements and estimates is contained in the Company's accounting policies and/or the notes to the consolidated financial statements. Areas of judgement and estimation that have the most significant effect on the amounts recognized in the consolidated financial statements are outlined below:

(a) Areas of judgement
(i) Classification of royalty arrangements: initial recognition and measurement
Judgement is exercised as to whether a royalty interest should be accounted for as a financial asset, intangible asset or tangible asset. Royalties, where the right to receive cash exists only to the extent there is production and there are no interest payments, minimum payment obligations or any other means to enforce production or guarantee repayment are classified as tangible assets by the Company. The purchase price of each royalty interest acquired is economically similar to holding a direct interest in the underlying mineral asset. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator) and price risk (returns vary depending on the future commodity price, driven by future supply and demand) are all risks which the Company indirectly participates in on a similar basis to an owner of the underlying mineral licence. However, due to the nature of royalty interests, the Company has no input into the operation of mines in which it has an interest.

(ii) Classification of stream arrangements: initial recognition and measurement
Judgement is exercised as to whether a stream interest should be accounted for as a financial asset, intangible asset or tangible asset. The determination of the accounting treatment requires consideration of factors such as the terms of the agreement, the applicability of the own-use exemption under IFRS 9, whether there is a contractual commitment to repay amounts under the stream and the expected timing and amount of future deliveries of gold under the stream with reference to the existing mine plan. The Company has judged that the same risk profile that exists for royalty interests also applies to the Ming stream and has classified it as a tangible asset (Note 7).

(iii) Impairment review of royalty and stream interests, investment in associates, and exploration and evaluation assets
Royalty and stream interests, investment in associates and exploration and evaluation assets are assessed for indicators of impairment at each reporting date, including assessing whether there are observable indications that the asset's value has declined during the period. Management uses judgment when assessing whether there are indicators of impairment, such as considering variables such as the production profiles, production commissioning dates where applicable, future commodity prices and guidance from the mine operators such as reserve and resource estimates or other relevant information from the operators which may indicate production from the interests will not likely occur or may be significantly reduced in the future. If such an indication exists, the recoverable amount of the interest is estimated in order to determine the extent of the impairment (if any). Management uses judgment when assessing whether there are indicators of impairment, such as significant changes in future commodity prices, discount rates, operator mineral reserve and resource estimates or other relevant information received from the operators that indicates production from the interests will not likely occur or may be significantly reduced in the future. The test to determine the recoverable amount is performed using an income-based approach based on a discounted cash flow model which includes the following significant assumptions: future commodity prices, discount rate, and forecasted production based on mineral reserve and resource estimates from the operators. Management's estimates of forecasted production of mineral reserves and resources from the operators are based on information compiled by qualified persons (management's expert).

Each exploration or evaluation asset is subject to a quarterly review either by a consultant or senior Company geologist to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration factors including, but not limited to, future metal prices, significant decreases in mineral reserve or mineral resource estimates or unfavourable drilling results, or the Company's continued plans to develop the exploration or exploration asset.

(iv) Investments in associates, joint operations and joint ventures
The Company holds a variety of investments in associates and there is judgement as to whether the Company exercises significant influence or control over the investee.

- The Sociedad Legal Minera California Una de la Sierra Peña Negra ("SLM California") investment has been accounted for as a joint venture, using the equity method of accounting as the shareholders agreement refers to distribution of net profits and not an allocation of revenues and expenses.
- The Company's investment in Aterian Plc has been classified as an investment in associate accounted for using the equity method as the Company has significant influence but not control over Aterian Plc. The Company holds a 25% interest and can appoint one director to the Board of Directors of Aterian Plc.
- The Company holds a 30% interest in Legend Mali (UK) II Ltd ("Legend Mali') with another entity owning 70% interest. The Company has determined that Legend Mali is a joint arrangement due to the fact that approvals of 80% approvals are required from the Board of Directors for the relevant activities. Legend Mali's Board of Director representation is based on the ownership percentage noted above. The Company's investment in Legend Mali has been accounted for as a joint venture, using the equity method of accounting.
- The Company holds a 50% equity interest in three entities, Alpha 2 SPV, Alpha 3 SPV and Minera Tercero SpA. All three entities were set up with a partner company for the purpose of acquiring royalties and receiving subsequent royalty income. Judgement has been applied as to whether these entities should be treated as joint ventures or joint operations. Due to the fact that all outputs are distributed to shareholders and each company essentially operates at breakeven, it has been concluded that this is indicative of a joint operation and, therefore, the Company accounts for its interests in Alpha 2 SPV, Alpha 3 SPV and Minera Tercero SpA by recognizing its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Investments in associates are tested for impairment at each reporting date. The method of evaluation follows that applied to royalty interests or exploration assets depending on the underlying assets held by the associate.

(b) Sources of estimation uncertainty
(i) Mineral reserves and mineral resources
Royalty interests of the Company that generate economic benefit are depleted using a units-of-production method (based on units sold) over the anticipated life of the mine to which the interest relates. This is determined using available information regarding proven and probable mineral reserves and the portion of mineral resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement. These calculations require the use of estimates and assumptions, including the mineral reserves and mineral resources relating to each royalty interest. Mineral reserves and mineral resources are estimates of the amount of minerals that can be extracted from the mining properties at which the Company has royalty interests. Changes to the mineral reserves mineral and resources assumptions could directly impact the depletion rates used. Changes to depletion rates are accounted for prospectively.

(ii) Fair value of net assets acquired from Altus
The net assets acquired from Altus (Note 4) were recorded at fair value as at the date of the Merger. The determination of the fair values of assets and liabilities required the use of significant estimates.

(iii) Impairment reviews
When an impairment test is performed on a royalty, stream or exploration asset, certain assumptions and estimates are used to determine the recoverable value of the asset. This may include mineral reserves and mineral resources as outlined above, commodity prices or other variables contributing to future revenue calculations, or assumptions relating to benchmarking or other market comparisons.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Company entities.

(A) Business combinations

On the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value at the date of acquisition. Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, and within a period not to exceed twelve months from the acquisition date, with retrospective restatement of the impact of adjustments to those provisional fair values effective as at the acquisition date. Incremental costs related to acquisitions are expensed as incurred.

When the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is recognized as a gain in the Consolidated Statements of Loss.

Non-controlling interests represent the fair value of net assets in subsidiaries, as at the date of acquisition, which are not held by the Company, and are presented in the equity section of the Consolidated Statements of Financial Position.

(B) Foreign Currency

Foreign currency transactions
Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the consolidated statement of financial position are translated at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations
The functional currency of the Company and each of its subsidiaries is the principal currency of the economic environment in which each entity operates. The assets and liabilities of foreign operations are translated to United States Dollars at exchange rates ruling at the date of the consolidated statement of financial position. The revenues and expenses of operations are translated to United States Dollars at rates approximating to the exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognized in other comprehensive income.

On disposal of a foreign operation, the cumulative exchange differences recognized in accumulated other comprehensive income relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

(C) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments held in the form of money market investments and certificates of deposit with investment terms that allow for penalty free redemption after one month.

(D) Revenue

Revenue is comprised of income earned from royalty and stream interests. Revenue is measured at the fair value of consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of a royalty or stream agreement. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of consideration to which it expects to be entitled and, accordingly, revenue recognition is deferred until management can make a reasonable estimate. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

Royalty revenue

The Company recognizes revenue upon the transfer of control of the relevant commodity from the operator to the end customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those commodities.

Stream revenue

The Company recognizes revenue upon the transfer of the relevant commodity received from the stream operator by the Company to its third-party customers.

(E) Income tax

Income tax comprises current and deferred tax.

Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(F) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares, which comprises irrevocable ordinary share subscriptions as well as options and warrants to purchase shares issued to employees and third parties respectively.

(G) Tangible assets (royalty and stream arrangements)

Royalty arrangements

Royalty interests consist of acquired royalty interests and royalty interests generated on the disposal or reduction in ownership of former exploration and evaluation projects of the Company.

Royalty interests, which are identified and classified as tangible assets, are initially measured at cost including any directly attributable transaction costs. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses. Project evaluation costs that are not related to a specific royalty interest are expensed in the period incurred.

Producing royalty interests are depleted using the units-of-production ("UoP") method, based on units sold, over the anticipated life of the mine to which the interest relates. This is estimated using available information on proven and probable reserves and the portion of resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement, where management is confident that further resources will be converted into reserves and are approaching economic decisions affecting the mine on this basis.

In situations when the expectations change, and management determines that an alternative basis may be more appropriate, such change is treated as a change in accounting estimate under IAS 8. The effect of the change is recognized prospectively from the period in which the change has been made.

When acquiring a new royalty interest, an allocation of cost is attributed to the exploration potential of the interest and is recorded as a non-depletable asset on the acquisition date. The value of the exploration potential is accounted for in accordance with IFRS 6 *Exploration and Evaluation of Mineral Resources* and is not depleted until such time as the technical feasibility and commercial viability have been established, at which point the value of the asset is accounted for in accordance with IAS 16 *Property, Plant and Equipment*.

Stream arrangements

Stream interests are initially measured at cost, including any directly attributable transaction costs. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. Project evaluation costs that are not related to a specific stream interest are expensed in the period incurred.

Stream interests are depleted using the UoP method, based on units sold, over the anticipated life of the mine to which the interest relates, which is estimated using available information on proven and probable reserves and the portion of resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement, where management is confident that further resources will be converted into reserves and are approaching economic decisions affecting the mine on this basis.

In situations when the expectations change, and management determines that an alternative basis may be more appropriate, such change is treated as a change in accounting estimate under IAS 8. The effect of the change is recognized prospectively from the period in which the change has been made.

When acquiring a new stream interest, an allocation of its cost is attributed to the exploration potential of the interest and is recorded as a non-depletable asset on the acquisition date. The value of the exploration potential is accounted for in accordance with IFRS 6, Exploration and Evaluation of Mineral Resources and is not depleted until such time as the technical feasibility and commercial viability have been established at which point the value of the asset is accounted for in accordance with IAS 16, Property, Plant and Equipment.

(H) Impairment of royalty and stream interests
An evaluation of the carrying value of each royalty and stream interest is undertaken when an event or change in circumstance indicates that the carrying value may not be recoverable. If any indication of impairment exists, the recoverable amount is estimated to determine the extent of any impairment loss. For an asset classified as exploration potential, the impairment is assessed at each reporting period in accordance with IFRS 6. The recoverable amount is the higher of the fair value less costs of disposal and value in use. The calculation of the recoverable amount includes the following significant assumptions: production based on estimated mineral reserves and mineral resources, long-term commodity prices, and discount rate. Estimated future production is determined using estimated mineral reserves and mineral resources, as well as exploration potential expected to be converted into resources or reserves. Long-term commodity prices are determined by reference to average long-term price forecasts per analyst consensus pricing. If it is determined that the recoverable amount is less than the carrying value, then an impairment is recorded with a charge to net income (loss).

An assessment is made at each reporting period if there is any indication that a previous impairment loss may no longer exist or has decreased. If an indication is present, the carrying amount of the royalty or stream interest is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount net of depletion which would have been determined had no impairment loss been recognized for the royalty or stream interest in a previous period.

(I) Financial instruments
A financial instrument is recognized in the statements of financial position when the Company has become a party to the contractual provision of the instrument.

A financial asset is derecognized when the contractual right to receive cash flows from the financial asset has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss

Financial assets carried at amortized cost
A financial asset is held at amortized cost where the objective is to collect contractual cash flows and these cash flows are solely payments of principal and interest. Such an asset is initially recognized at fair value plus transaction costs directly attributable to its acquisition or issue, and is subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. A provision is recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit loss ("ECL"). This includes an assessment of the probability of non-payment of the receivable, which is multiplied by the value of the expected loss arising from default to determine the lifetime ECL. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Company considers a financial asset to be in default when contractual payments are four weeks past due without communication from the operator of the mine over which the Company holds a royalty. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired, which is indicated when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, which aligns to the definition of default.

The Company's financial assets measured at amortized cost comprise other receivables and cash and cash equivalents in the consolidated statement of financial position.

<u>Financial liabilities measured at amortized cost</u>
Financial liabilities measured at amortized cost using the effective interest rate method include borrowings and trade and other payables that are short term in nature. A financial liability is derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortization is included as a finance cost in the statement of profit or loss and other comprehensive income

(J) Share-based compensation

Directors, officers, employees and certain consultants may receive remuneration in the form of share-based payments whereby services are rendered for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 13. The cost is recognised in share-based compensation expense, together with a corresponding increase in equity (contributed surplus) over the period in which the service and performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The fair value of share purchase options granted is recognized as an employee or consultant expense with a corresponding increase in equity. The fair value of share purchase options granted is determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of share purchase options, the fair value of the Company's shares and the risk-free interest rate. For employees, the fair value of the options is measured at the date of grant. For non-employees, the options are measured at the fair value of the goods or services received, unless they cannot be reliably measured in which case their values are determined by the Black-Scholes option pricing model. Fair value is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

The estimated fair value of awards of share purchase options is recognized in profit or loss over the vesting period, with offsetting amounts to contributed surplus. If the share purchase options are granted for past services, they are recognized in profit or loss immediately. If the share purchase options are forfeited prior to vesting, no amounts are recognized in profit or loss. If share purchase options are exercised, then the fair value of the options is reclassified from equity reserve to share capital.

At each financial position reporting date, the amount recognized as profit or loss is adjusted to reflect the actual number of share purchase options that are expected to vest.

(K) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. All borrowings costs are recognized in profit or loss in the period in which they are incurred.

(L) Segment reporting

In accordance with IFRS 8 'Operating Segments', an operating segment is defined as a business activity whose operating results are reviewed by the chief operating decision maker ('CODM') and for which discrete information is available. The Company's CODM is the Chief Executive Officer.

The Company records one segment, which is its royalty and streams interests from which it derives its revenue, including its exploration and evaluation assets from which it intends to generate royalties (Note 18).

(M) Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence and is neither a subsidiary nor a joint operation. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

A joint venture is an entity over which the Company has joint control through a joint arrangement that requires the unanimous consent of the parties sharing control, and whereby the joint arrangement does not confer a right to the assets or an obligation for the liabilities of the entity.

The Company accounts for its investment in an associate or joint venture using the equity method. It is initially recognized at fair value when acquired and subsequently increased or decreased to recognize the Company's share of the associate or joint venture's net income or loss. Adjustments may be necessary to give effect to uniform accounting policies or to reflect any other movement in the associate or joint venture's reserves or for impairment losses after the initial recognition date. The share of income or loss is recognized in the Company's net loss during the period. Distributions received from the associate or joint venture are accounted for as a reduction in the carrying amount of the Company's investment.

(N) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring and maintaining exploration licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized, with costs being recorded against specific licence blocks or amalgamations of licence blocks into named projects. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore the licence has expired during the period or will expire in the near future, and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of mineral resources on the licence is neither budgeted nor planned.
- exploration for and evaluation of mineral resources on the licence has not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities on the licence.

- sufficient information exists to indicate that, although a development of the licence or project is likely to proceed, the carrying amount of the asset is unlikely to be recovered in full either through completion of development or through a sale of the asset.

(O) Inventory

Pertaining to stream agreements, when refined gold is delivered to the Company, it is recorded as inventory. The amount recognized in inventory includes both the cash payment and the related depletion associated with the related stream interest, once it has been sold to third-party customers.

(P) New accounting standards adopted

New accounting standards effective in 2022

In August 2020, the IASB issued amendment to IFRS 9, Financial Instruments (IFRS 9), IAS 39, Financial Instruments: Recognition and Measurement (IAS 39), IFRS 7, Financial Instruments: Disclosures (IFRS 7), IFRS 4, Insurance Contracts (IFRS 4) and IFRS 16, Leases (IFRS 16) as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising in connection with reform of benchmark interest rates, including the replacement of one benchmark rate with an alternative one. The amendments were effective January 1, 2021.

Term Secured Overnight Financing Rate (Term SOFR) was formally recommended by the Alternative Reference Rates Committee (a committee convened by the U.S. Federal Reserve Board) as the recommended fallback for USD London Interbank Offered Rate (LIBOR) based loans. Term SOFR is expected to be economically equivalent to LIBOR, allowing for use of the practical expedient under IFRS 9. The Company's Sprott Amended Credit Facility and La Mancha Loan were financial instruments exposed to USD LIBOR, which were repaid or converted to equity in 2022. The Company's Facility with NBC and CIBC uses SOFR. For all borrowings refer to Note 12.

There was no material impact on the financial statements from new accounting standards or amendments to accounting standards, effective January 1, 2022.

New accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company's current or future reporting periods.

4. ACQUISITION OF ALTUS STRATEGIES PLC

On August 16, 2022, the Company completed the Merger with Altus Strategies plc and on the same day changed its name to Elemental Altus Royalties Corp. Under the Merger terms, the Company acquired all issued and outstanding shares of Altus, with each Altus share exchanged for 0.594 Elemental shares. The Company issued 69,688,995 common shares to Altus shareholders at the fair value of $67.34 million as determined by the trading price of the Company on the TSX-V. In addition, the Company granted 5,405,396 replacement options and 3,291,574 replacement warrants. The fair value of the replacement options and replacement warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: stock price – C$1.24; exercise price – C$2.10; risk-free interest rate – 3.19%; expected life 2.52 years; expected volatility - 51% and expected dividends - $nil.

Upon completion of the Merger, Elemental Royalties Corp. shareholders owned 52.9% and Altus shareholders owned 47.1% of the total issued and outstanding shares of Elemental Altus Royalties Corp.

In accordance with IFRS, Elemental Royalties Corp. was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values. Altus's results of operations have been included from August 16, 2022.

The Merger was considered to be a business combination under IFRS 3. The table below presents the estimated fair values of the assets acquired and liabilities assumed at the date of the acquisition. The Company considers that the determination of fair value of assets and liabilities acquired is now finalized following some adjustments included in the preliminary fair values disclosed in Q3 2022 interim accounts.

	$'000
Cash	7,875
Held-for-sale assets	5,804
Accounts receivable and other	473
Royalty interests	25,836
Exploration and evaluation assets	25,418
Equipment and right-of-use assets	306
Investments in associates	37,650
Investments	1,235
Assets acquired	**104,597**
Accounts payable and accrued liabilities	(3,653)
Loan	(24,022)
Held-for-sale liabilities	(41)
Deferred income tax liabilities	(8,338)
Liabilities acquired	**(36,054)**
Net assets as at August 16, 2022	**68,543**
Consideration paid	
Fair value of 69,688,995 common shares issued	67,340
Fair value of options fully vested	1,183
Fair value of warrants	20
Total consideration paid	**68,543**

Accounts and other receivables were fair valued at $473,000 which the Company considered to be equal to the gross contractual amounts receivable. At the Merger date, there was no expectation that any of the contractual cashflows would not be collected.

In accordance with the acquisition method of accounting, the consideration has been allocated to the underlying assets acquired and liabilities assumed, based upon their estimated fair values as at the date of acquisition.

The fair values of the held-for-sale assets have been estimated using the actual disposition value of the Company's subsidiary to Aterian Resources Ltd. (Note 22). The transaction had been contemplated since before the Merger, and was completed on October 24, 2022.

The valuation of the acquired producing royalty interests was performed using an income-based approach based on discounted cash flow models which included the following significant assumptions: future projected commodity prices, discount rates, and forecasted production based on mineral reserve and resource estimates from the operators. The valuation of the acquired development and exploration royalty interests, investment in associates, and the Diba Lakanfla exploration and evaluation asset were valued using a market-based approach, utilizing historical royalty and exploration asset sale transactions and industry or economic trends. Management's estimates of forecasted production based on mineral reserves and resources from the operators are based on information compiled by qualified persons (management's expert).

The valuation of remaining exploration and evaluation assets have been valued using a market-based approach, utilizing historical royalty and exploration asset sale transactions and industry or economic trends, or based on historical expenditures on the mineral properties, as appropriate. The Company also considered the likely market valuation for these assets.

The fair values of the investments have been estimated using the publicly available share price as of August 16, 2022. The investments are all in shares traded on recognised global exchanges. Transaction and integration costs incurred in relation to the Merger of $3.93 million were expensed during the year.

From the date of the Merger to December 31, 2022, the Company results include Altus revenue of $0.48 million. Net loss for Altus of $6.14 million was included in the Company's net loss. If the transaction had occurred at the beginning of the fiscal year, the Company would have included Altus revenue of $1.27 million and net loss of $11.62 million, which includes costs of the Merger borne by Altus.

5. CASH

	December 31, 2022 $'000	**December 31, 2021 $'000**
Cash	17,478	6,110

6. ACCOUNTS RECEIVABLE AND OTHER

	December 31, 2022 $'000	**December 31, 2021 $'000**
Trade receivable	43	-
Accrued royalty income	2,083	2,043
Prepaid expenses and other assets	359	335
Amounts due from related parties	242	-
GST/VAT receivable	163	-
Total accounts receivable and other	**2,890**	**2,378**

7. STREAM AND ROYALTY INTERESTS

As of and for the year ended December 31, 2022

	COST				ACCUMULATED DEPLETION			
	Opening $'000	**Additions $'000**	**Impair -ment $'000**	**Ending $'000**	**Opening $'000**	**Depletion $'000**	**Ending $'000**	**Carrying Amount $'000**
Amancaya								
Chile	3,614	-	-	3,614	2,086	620	2,706	908
Ballarat								
Australia	-	5,625	-	5,625	-	339	339	5,286
Bonikro								
Côte d'Ivoire	-	12,405	-	12,405	-	29	29	12,376
Kwale								
Kenya	943	-	-	943	776	43	819	124
Karlawinda								
Australia	37,166	-	-	37,166	1,138	2,756	3,894	33,272
Laverton								
Australia	16,071	-	-	16,071	-	-	-	16,071
Mercedes								
Mexico	999	-	-	999	-	69	69	930
Mount Pleasant								
Australia	476	-	-	476	19	185	204	272
Panton Sill								
Australia	94	-	-	94	-	-	-	94
SKO								
Australia	-	1,243	-	1,243	-	37	37	1,206
Wahgnion								
Burkina Faso	12,512	-	(133)	12,379	1,858	1,179	3,037	9,342
Western Queen								
Australia	2,009	-	-	2,009	-	-	-	2,009
Development assets	-	8,163	-	8,163	-	-	-	8,163
Australia and other								
Ming Stream								
Canada	-	11,377	-	11,377	-	152	152	11,225
Total	**73,884**	**38,813**	**(133)**	**112,564**	**5,877**	**5,409**	**11,286**	**101,278**

As of and for the year ended December 31, 2021

	COST			ACCUMULATED DEPLETION			
	Opening $'000	**Additions $'000**	**Ending $'000**	**Opening $'000**	**Depletion $'000**	**Ending $'000**	**Carrying Amount $'000**
Amancaya							
Chile	3,614	-	3,614	1,574	512	2,086	1,528
Karlawinda							
Australia	-	37,166	37,166	-	1,138	1,138	36,028
Kwale							
Kenya	943	-	943	613	163	776	167
Laverton							
Australia	-	16,071	16,071	-	-	-	16,071
Mercedes							
Mexico	999	-	999	-	-	-	999
Mount Pleasant							
Australia	476	-	476	9	10	19	457
Panton Sill							
Australia	94	-	94	-	-	-	94
Wahgnion							
Burkina Faso	12,512	-	12,512	797	1,061	1,858	10,654
Western Queen							
Australia	-	2,009	2,009	-	-	-	2,009
Total	**18,638**	**55,246**	**73,884**	**2,993**	**2,884**	**5,877**	**68,007**

The following table summarizes the Company's total revenue from royalty interests during the years ended December 31, 2022 and 2021:

	2022 $'000	**2021 $'000**
Revenue from royalties		
Amancaya	994	1,270
Ballarat	347	-
Bonikro	45	-
Karlawinda	4,338	1,861
Kwale	325	611
Mercedes	380	-
Mount Pleasant	316	25
SKO	84	-
Wahgnion	2,133	2,844
	8,962	6,611
Revenue from streams		
Ming	677	-
Total revenue	**9,639**	**6,611**

Amancaya
In July 2018 the Company acquired a 2.25% NSR royalty on the Amancaya gold-silver mine, located in northern Chile approximately 200km southeast of Antofagasta, from Yamana Gold Inc (TSX: YRI) for cash consideration of $3.55 million. The Amancaya mine is operated by Austral Gold Limited, a producer and explorer of precious metals which is dual-listed on the Australian Securities Exchange (ASX: AGD) and the Toronto Venture Exchange (TSX-V: AGLD).

Kwale
In February 2017 the Company acquired a 0.25% gross revenue royalty ("GRR") royalty on the Kwale mineral sands mine located 50 kilometres south of Mombasa in Kenya, from Acacia Mining Plc (LON: ACA) for cash consideration of $0.9 million. The Kwale mine is operated by Base Resources Limited, an Australian-based, African-focused mineral sands producer and developer which is dual-listed on the Australian Securities Exchange (ASX: BSE) and the London Alternative Investment Market (AIM: BSE).

Mercedes
In July 2018 the Company acquired a 1% NSR royalty on the Mercedes gold-silver mine, located in the State of Sonora in northern Mexico, 300km south of Tucson Arizona, from Yamana Gold Inc (TSX: YRI) for cash consideration of $0.95 million. The Mercedes mine is operated by Bear Creek Mining Corporation (TSXV: BCM). Revenues are due to be paid on the 30th day after the end of each calendar quarter.

Mount Pleasant
In December 2017 the Company acquired a royalty interest consisting of the lesser of either 5% net profit interest ("NPI") or A$10/Ounce royalty on the Mount Pleasant operations, located 40km northwest of Kalgoorlie in Western Australia, from a subsidiary of the Carlton & United Breweries Company for cash consideration of AU$0.6 million. A deferred payment of A$0.4 million is due at the point a decision is taken to mine a refractory portion of the resource and funds committed to its development. The Mount Pleasant mine is operated by Zijin Mining Group, a large Chinese international mining company engaged in the exploration and mining of gold, copper, zinc and other mineral resources, which is dual listed on the Hong Kong Stock Exchange (HKSE: 2899) and the Shanghai Stock Exchange (SSEC: 601899).

Panton Sill
The Company acquired a 0.5% net smelter return ("NSR") royalty on the Panton Sill project, located about 60km north of Halls Creek in the East Kimberley region of Western Australia, from Fevertree Resources Pty Ltd in February 2017 for the consideration of $0.09 million, settled by the issue of shares of the Company. Future Metals NL ("Future Metals") (ASX: FME) acquired the Panton Sill project from Panoramic Resources Limited, a base metal mining and exploration company listed on the Australian Securities Exchange (ASX: PAN) in June 2021.

Wahgnion
In January 2020 the Company acquired a 100% equity interest in Sanembaore Sarl Pty Ltd ("SNB"), a company incorporated under the laws of Australia whose principal asset is a 1% NSR royalty over the Wahgnion gold project in Burkina Faso. In consideration, the Company paid $11.5 million in cash and issued 1,374,683 common shares at a fair value of $1 million. The purchase price was allocated to the Wahgnion royalty. The Wahgnion mine is operated by Endeavour Mining (TSX: EDV).

Endeavour recorded a $197 million impairment at Wahgnion in its December 31, 2022 financial statements following updates to the life of mine plans which reflected a reduced estimate of its reserve and resources and estimated operating costs. This was concluded to be an indicator of impairment and the Company performed a test to determine the recoverable amount for its royalty asset on December 31, 2022. A blended approach was used with near-term gold prices based on a weighted average of gold future curves and analyst consensus and long-term gold prices based solely on analyst consensus, resulting in a price of $1,875/oz for 2023-24 and long-term price of $1,644/oz. A discount rate of 4.6% was applied. It was determined that the recoverable value of the royalty interest was less than its carrying value on December 31, 2022 and an impairment charge of $133,000 was recorded.

South32 Portfolio
On February 9, 2021, the Company completed the acquisition of a portfolio of three gold royalties from South32 Limited ("South32 Portfolio"). The South32 portfolio included the following key assets: Karlawinda, Laverton and Western Queen. As consideration for the transaction, the Company made a cash payment of $40 million and issued 13,065,100 common shares to South32 valued at $15 million.

The Company allocated the purchase price of the South32 Portfolio to Karlawinda ($37.2 million), Laverton ($16.1 million) and Western Queen ($2 million). The Company allocated $8.2 million of the Laverton purchase price of $16.1 million and the full $2.0 million of the Western Queen purchase price towards exploration potential, which are currently not depleted.

Karlawinda
Elemental acquired a 2% NSR royalty on the Karlawinda gold project in February 2021 as part of the acquisition of the South32 Portfolio. The Karlawinda Gold Project is located in the Pilbara region of Western Australia, 70km by road south-east of the town of Newman. The Karlawinda gold project is operated by Capricorn Metals Ltd (ASX: CMM).

Laverton
Elemental acquired a 2% GRR royalty on the Laverton gold project in Feb 2021 as part of the acquisition of the South32 Portfolio. The Laverton gold project is located in the Eastern Goldfields region of Western Australia, surrounding the town of Laverton, approximately 250km north of Kalgoorlie. Elemental's interest is a 2% Gross Revenue Royalty payable on certain licences held by Focus Minerals Ltd. (ASX: FML).

Western Queen
Elemental acquired a A$6-20/oz royalty on the Western Queen gold project in Feb 2021 as part of the acquisition of the South32 Portfolio. The Western Queen gold project lies 110km north-west of Mt Magnet within the Yalgoo mineral field of Western Australia. The Company's interest is a AU$6-20/oz royalty over the 9.8km^2 Western Queen Central Mine and associated prospects held by Rumble Resources Ltd. (ASX: RTR).

Altus Strategies portfolio
On August 16, 2022, the Company completed a share-for-share merger with Altus Strategies plc. The portfolio of Altus included the following key royalty assets: Bonikro, Ballarat, South Kalgoorlie Operations ("SKO") and Australian Exploration Royalties ("AER").

Ballarat
Elemental acquired a 1.25% NSR royalty interest (capped at A$25 million) on the Ballarat gold project through the merger with Altus Strategies. Ballarat is an underground gold project located in Central Victoria, Australia, and is operated by Golden Point Group Pty Ltd, a wholly owned subsidiary of Singapore-listed public company, Shen Yao Holdings. Ballarat is held through Alcrest Royalties Australia (Pty) Ltd (50% interest) and is accounted for as a joint operation using the proportionate consolidation method.

Bonikro
Elemental acquired an NSR royalty of up to 2.25% on the Bonikro gold project through the merger in August 2022 with Altus Strategies. The rate of the royalty is dependent on the gold price and is capped at 560,000 oz. Bonikro

is an open-pit gold mine located in Côte d'Ivoire, 230km north-west of Abidjan, and is operated by Allied Gold Corp. with Capital Drilling acting as the mining contractor. Bonikro is held through Alpha 2 SPV Ltd (50% interest) and is accounted for as a joint operation, recognizing the Company's share of any jointly held or incurred assets, liabilities, revenues and expenses.

SKO

Elemental acquired a A$5/oz Au royalty on the SKO gold project through the merger with Altus Strategies. SKO is an underground gold project located in Kalgoorlie, Western Australia, and is operated by Northern Star Resources Limited (ASX: NST). The project, which has a long history of stable production, is part of the wider operations of Northern Star around Kalgoorlie.

Development assets

Development assets comprises royalties on development and exploration stage assets in Australia and Africa. The portfolio is primarily on gold assets with by-products including copper, silver and zinc. Of these royalty assets, 21 are on projects in Australia and include several which cover large land positions in well-known mining districts and which are owned by established operators, such as BHP, Northern Star Resources, Gold Fields, Sandfire Resources, Evolution Mining and Silver Lake Resources. A further 15 royalty assets are held on projects in Morocco which were formerly owned by Altus before being vended to Aterian plc (Note 22). The remaining royalty assets are held on projects across Africa including Mali, Rwanda and Côte d'Ivoire.

Ming Gold Stream

On March 17, 2022, the Company entered into a gold purchase and sale agreement (the "Ming Gold Stream") with Rambler Metals and Mining Canada Limited, a wholly owned subsidiary of Rambler Metals and Mining PLC (AIM: RMM) ("Rambler"), the owner of the Ming Copper-Gold Mine in Newfoundland and Labrador in Canada.

Under the terms of the Ming Gold Stream, in exchange for consideration of $11 million, the Company will receive 50% of the payable gold production until Rambler has delivered 10,000 ounces of gold to the Company, after which the Company will receive 35% of the payable gold production until Rambler has delivered a further 5,000 ounces to the Company. After Rambler has delivered a total of 15,000 ounces of gold, the Company will receive 25% of the payable gold production for the life of the mine.

The Company will make ongoing payments equal to 20% of the market price of gold with minimum gold recoveries set at 85%. Rambler must make minimum gold deliveries of 1,200 ounces to the Company in each of the first three years of the Ming Gold Stream.

The transaction completed on April 4, 2022. In connection with the acquisition of the stream, the Company incurred costs of $0.38 million for legal fees, due diligence and other fees. Of the $11.38 million purchase price, $nil was allocated to exploration potential.

Having delivered gold ounces to the Company in respect of Q2 2022 production, Rambler failed to deliver any ounces in respect of production for the subsequent two quarters. On February 9, 2023 the Company issued a written notice of default to Rambler.

Rambler announced a strategic financial restructuring plan in November 2022. In March 2023, Rambler announced that it had obtained an order under the Companies' Creditors Arrangement Act, allowing it to continue its business as usual while engaging in discussions with creditors regarding payment defaults. However, the mine has subsequently been placed in care and maintenance. This was concluded to be an indicator of impairment and the Company performed a test to determine the recoverable amount for its royalty asset on December 31, 2022. The Company used the Income Approach, assuming that the fair value of the asset is based on the future economic benefits the asset will generate for the Company, and applied a probability weighting to a number of potential outcomes. The same blended approach to determining gold prices was as for the Wahgnion royalty (see above) resulting in prices of $1,875/oz for 2023-24 and long-term price of $1,644/oz. A discount rate of 4.6% was applied. It was determined that the recoverable amount from the royalty asset following a resumption of operations exceeds the carrying amount of the asset and that no impairment was required.

8. EXPLORATION AND EVALUATION ASSETS

As of and for the year ended December 31, 2022.

	Opening $'000	Acquired from Altus (Note 4) $'000	Additions $'000	Translation adjustment $'000	Reclassified Held-for-sale $'000	Ending $'000
Diba-Lakanfla						
Mali	-	23,659	329	(38)	(23,950)	-
Eastern Desert Projects						
Egypt	-	1,200	1,122	(213)	-	2,109
Laboum						
Cameroon	-	211	54	(11)	-	254
Bikoula						
Cameroon	-	204	33	(9)	-	228
Daro & Zager						
Ethiopia	-	144	29	(7)	-	166
Total	**-**	**25,418**	**1,567**	**(278)**	**(23,950)**	**2,757**

Diba-Lakanfla
The Diba & Lakanfla gold project is located in western Mali and comprises the Korali Sud (Diba) licence and the Lakanfla licence, which are situated on the Senegal-Malian shear corridor within the 'Kenieba window'. The nearby Sadiola gold mine is operated by Allied Gold Corp. and the Malian government.

During Q4 2022, the value of the asset was transferred to held-for-sale assets. The Board agreed to market the project for sale and appointed a financial advisor for the transaction. Invitations for expressions of interest have been circulated and the Board believes that a buyer will be found and the transaction completed within one year. See also Note 22.

Eastern Desert Projects
Elemental acquired the projects through its merger with Altus Strategies. The Eastern Desert Projects comprise six gold exploration projects located in the Eastern Desert of Egypt, four of which were awarded to Altus in 2021 – Wadi Jundi, Gabal Al-Shaluhl, Gabal Om Ourada and Wadi Dubur, and two which were awarded in 2022, Gabal El Mayyet and Bir Esl. The projects are accessible from the coastal cities of Marsa Alam and Quseer.

Laboum
The Laboum gold project is located in northern Cameroon.

Bikoula
The Bikoula iron ore project comprises the Bikoula and Ndjele licences and is located in southern Cameroon. The project is situated on the westerly geological strike of Nkout iron ore deposit.

Daro & Zager
The Daro and Zager projects are located in the Tigray State of northern Ethiopia.

9. INVESTMENT IN ASSOCIATES AND OTHER

The Company holds three investments in associates as shown in the table below, two of which were acquired by the Company through its merger with Altus Strategies, while the other investment represents consideration for the disposal of Aterian Resources Ltd and the portfolio of Moroccan royalty assets.

	SLM California $'000	Legend Gold Mali $'000	Aterian plc $'000	Total $'000
Opening balance at January 1, 2022	-	-	-	-
Merger with Altus (Note 4)	34,636	3,014	-	37,650
Acquisition of investment	-	-	3,800	3,800
Share of profit/loss	130	-	(56)	74
Share of currency translation adjustment	-	12	49	61
Distribution received	(1,340)	-	-	(1,340)
Revaluation	-	-	10	10
Closing balance at December 31, 2022	33,426	3,026	3,803	40,255

Included in share of profit from the date of the Merger are income ($0.66 million) less tax expense ($0.02 million), expenses ($0.06 million) and depletion ($0.50 million).

SLM California
The Company holds a 0.418% net smelter return royalty interest on the Caserones copper mine in northern Chile. The royalty is owned through the Company's 50% interest in Minera Tercero SpA which owns 43% of Sociedad Legal Minera California Una de la Sierra Peña Negra ("SLM California"). The Company's interest in the Caserones copper mine net smelter return royalty interest is therefore 21.5%. Minera Tercero SpA is jointly controlled by the Company and another operator and is accounted for as a joint operation. The Company recognizes 50% of the principal asset held by Minera Tercero SpA, which is an investment in SLM California and 50% of the respective income and expenses. SLM California is an associate of Minera Tercero SpA and is accounted for using the equity method. The Company's 50% share of profit/loss of the associate recognized by Minera Tercero SpA under the equity method is shown in the Statement of Comprehensive Loss. Distributions received from the associate reduce the carrying amount of the investment.

During the year, the Company received distributions from SLM California in respect of the royalty on production at the Caserones mine during Q2 2022 and Q3 2022 of $1.34 million. The distributions were calculated after provisions made by SLM California for expenses and Chilean income tax. The Company adjusted this share of profit through an amortisation of the investment based on a depletion calculation performed on the underlying royalty asset in order to conform with Elemental's consolidated accounting policies.

Legend Gold Mali
Legend Gold Mali SARL is a wholly owned subsidiary of Legend Mali UK II Ltd, a holding company which is a 30%-owned associate of the Company, and holds the Tabakorole gold project and two contiguous licences with a total area of 292km^2 in southern Mali. The Company's interest in Legend Mali UK II Ltd. is accounted for using the equity method. The company is the subject of an agreement between the Company and Marvel Gold that was renewed

in January 2022, under which Marvel Gold retains the right to increase its holding to 80% by sole funding a definitive feasibility study on the Tabakorole project.

Aterian Plc
Aterian Plc is a 25%-owned associate of the Company which holds a portfolio of 15 exploration and evaluation projects in Morocco and one tantalum exploration project in Rwanda. The Moroccan exploration asset portfolio was previously held by Altus and acquired by the Company through the Merger. The sale of the portfolio to Aterian by Altus had been agreed prior to the Merger and the assets and liabilities of the subsidiaries holding the exploration licences were classified as held-for-sale at the date of the Merger. The sale was completed on October 24, 2022. Consideration comprised shares in Aterian valued at $2.92 million and warrants to acquire further shares valued at $0.88 million, as well as a royalty on each of the exploration assets. All the warrants were outstanding and none had been exercised at the end of the year. Warrants are recorded at fair value through profit and loss. The Company also appoints one member of the board of Aterian. As the Company has significant influence but not control or joint control over Aterian, it is treated as an investment in associate and accounted for using the equity method. The shares of Aterian Plc are listed on the London Stock Exchange (LON: ATN).

Summary financial information for the year ending December 31, 2022 for the associates listed above was as follows:

	SLM California $'000	**Legend Gold Mali $'000**	**Aterian plc $'000**
Current assets	6,371	36	1,684
Non-current assets	147,144	3,358	7,874
Current liabilities	(5,854)	-	(766)
Non-current liabilities	-	-	(376)
Net assets	147,661	3,394	8,416
Revenue	21,442	-	-
Depletion	(7,415)	-	-
Expenses	240	-	(1,187)
Taxes	(5,854)	-	-
Net profit/(loss)	8,413	-	(1,187)
Currency translation adjustment	-	(134)	1,025
Comprehensive income/(loss)	8,413	(134)	(162)

10. INVESTMENTS

Investments carried at fair value through profit or loss comprise listed equity shares (Level 1). The fair value of these equity shares is determined by reference to published price quotations in an active market. All three investments currently held by the Company are in public companies, and all are portfolio investments where the Company owns less than a 20% interest.

	December 31, 2022 $'000	December 31, 2021 $'000
Opening balance	-	-
Merger with Altus (Note 4)	1,235	-
Revaluation losses	(22)	-
Closing balance	1,213	-

Of the $194,000 fair value losses, $22,000 related to revaluations of the Company's investments.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2022 $'000	December 31, 2021 $'000
Trade payables	1,166	378
Accrued interest	215	-
Accruals	766	958
Other payables	294	106
Total	**2,441**	**1,442**

12. BORROWINGS

	December 31, 2022 $'000	December 31, 2021 $'000
Sprott		
Opening balance	24,430	-
Additions from credit facility	-	25,000
Transaction costs	-	(1,039)
Amortization of transaction costs and arrangement fees	570	469
Repayment	(25,000)	-
Closing balance	-	24,430
La Mancha		
Opening balance	-	-
Merger with Altus - loan principal (Note 4)	24,022	-
Merger with Altus - capitalized interest (Note 4)	2,498	-
Capitalized interest expense	1,040	-
Repayment	(27,560)	-
Closing balance	-	-
NBC		
Opening balance	-	-
Additions from credit facility	30,000	-
	30,000	-

Sprott Credit Facility

On December 29, 2020, the Company entered into an Amended and Restated Credit Agreement with Sprott Private Resource Lending ("Sprott"), an arm's length party, for the provision of a $25 million senior secured credit facility (the "Amended Sprott Credit Facility"), which was drawn down in full on February 9, 2021. This followed the termination of an earlier Sprott Credit Facility and repayment of the loan drawn down under that facility. The

Amended Sprott Credit Facility bore interest at a rate of 9% per annum plus the greater of (i) LIBOR and (ii) 1%, paid monthly, with maturity on January 31, 2023 and security on all assets of the Company. The Amended Sprott Credit Facility required the Company to maintain cash and working capital balances of greater than $1 million. On February 8, 2021, the Company issued 653,255 common shares to Sprott as a finance cost at the fair value of $0.8 million.

On December 1, 2022, the Company undertook a re-financing exercise (see National Bank of Canada/Canadian Imperial Banking Corp. loan below) and terminated the Amended Sprott Credit Facility. At that date, the principal balance of $25.0 million was repaid, outstanding interest on the loan was settled and remaining capitalized transaction costs were amortized. During the year ended December 31, 2022, the Company recorded interest expense of $2.6 million (2021: $2.6 million) and amortization of transaction costs of $0.5 million (2021: $0.5 million). On extinguishment of the loan, the Company recorded a loss of $1.25 million.

La Mancha Loan
As part of the Altus Merger (Note 4), the Company acquired a loan facility provided by its shareholder LMH Explorers S.à r.l. Funds, a subsidiary of La Mancha (the "La Mancha Loan").

The La Mancha Loan bore annualized interest at a rate of 10% plus three-month USD LIBOR and was repayable on December 31, 2022. The La Mancha Loan was senior secured against the shares of Altus Royalties Limited, the material asset of which is the Company's 50% shareholding in Minera Tercero SpA which holds SLM California (Note 9). The La Mancha Loan incorporated an automatic prepayment provision which applies to future cash proceeds from equity capital raised by the Company. Interest was payable on a quarterly basis but was capitalized by the Company with the agreement of the lender.

Coinciding with the re-financing of the Amended Sprott Credit Facility, the Company signed an agreement with La Mancha for the conversion into equity of the debt including the capitalized interest balance, the combined total of which was $27.6 million. During the period from the Merger to the conversion of the debt, the Company capitalized interest expense of $1.0 million. For the conversion of the debt, the Company issued 28,959,797 common shares at a fair value of C$1.23 after which, all amounts owed by the Company to La Mancha were satisfied in full and the associated security released.

National Bank of Canada/Canadian Imperial Banking Corp. loan
On December 1, 2022, the Company entered into an agreement National Bank of Canada ("NBC") and Canadian Imperial Bank of Commerce ("CIBC") for a $40 million revolving credit facility (the "Facility"), with an option to increase to $50 million subject to certain conditions. The Facility has a term of 3 years, extendable through mutual agreement between the Company, NBC, and CIBC. Depending on the company's leverage ratio, amounts drawn on the facility are subject to interest at SOFR plus 2.50% - 3.75% per annum, and the undrawn portion is subject to a standby fee of 0.56% - 0.84% per annum. At December 31, 2022, the Company had recorded $215,000 of accrued interest on the loan.

The Company has drawn down an initial $30 million from the facility, using approximately $25.3 million to settle outstanding loan principal owed to Sprott along with any accrued and unpaid interest and fees.

The Facility has been entered into by the Company as borrower, NBC and its subsidiaries as Administrative Agent, Sole Bookrunner and Co-Lead Arranger, and CIBC as Co-Lead Arranger and Syndication Agent. The Facility includes a number of financial covenants including maintenance of an interest coverage ratio above 4.00:1.00, maintenance of a net leverage ratio below 3.50:1.00 and maintenance of a net worth relative to that at the date of the Facility plus cumulative net income thereafter. At December 31, 2022, the Company certified that it was in compliance with the terms of the covenants.

13. SHARE CAPITAL

a) *Authorized*
The Company's authorized share structure consists of an unlimited number of common shares without par value.

b) *Share activities*
Details of equity transactions during the year ended December 31, 2022 are as follows:
1) On March 31, 2022, the Company completed a private placement of 9,275,000 common shares at C$1.51 ($1.21) per common share for gross proceeds of C$14.0 million ($11.2 million). In connection with the private placement, the Company incurred additional legal fees and other cash issuance costs of C$0.16 million ($0.12 million).
2) On August 16, 2022, the Company issued 69,688,995 common shares to Altus shareholders, fair valued at $67.3 million as determined by the trading price of the Company on the TSX-V (Note 4).
3) On December 1, 2022, the Company and La Mancha signed an agreement by which La Mancha converted $27,559,844 of loan principal and accumulated interest (the calculated fair value of the transaction) into 28,959,797 common shares of the Company at an agreed price of C$1.28 per share. The fair value of the shares issued was C$1.235 per share giving rise to a gain of $1.08 million.
4) On December 20, 2022, the Company completed a private placement of 3,970,997 common shares at C$1.28 ($0.94) per common share for gross proceeds of C$5.1 million ($3.7 million). In connection with the private placement, the Company incurred additional legal fees and other cash issuance costs of C$0.03 million ($0.03 million).

Details of equity transactions during the year ended December 31, 2021 are as follows:
1) On February 8, 2021, the Company completed a private placement of 10,748,132 common shares at C$1.50 ($1.18) per common share for gross proceeds of C$16.1 million ($12.7 million). In connection with the private placement, the Company paid C$0.7 million ($0.6 million) of cash finders' fees and incurred additional legal fees and other cash issuance costs of C$0.2 million ($0.2 million).
2) On February 8, 2021, the Company issued 13,065,100 common shares at C$1.50 ($1.18) per common share as part of the acquisition of the South32 royalty portfolio.
3) On February 8, 2021, the Company issued 653,255 common shares as a finance cost pursuant to the Amended and Restated Credit Agreement with Sprott (Note 12).

c) *Stock options, performance share units and warrants*
The Company maintains an incentive compensation plan for stock options, performance share units ("PSUs") and restricted share units. The maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX-V). The vesting terms of the awards are in the sole discretion of the Board of Directors. All stock options and PSUs become fully vested if a change of control of the Company occurs. Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Company.

Stock options

(Expressed in US Dollars, except where otherwise noted)

Changes in share purchase options during the years ended December 31, 2022 and 2021 are as follows:

	Number of stock options	Weighted Average Exercise Price	Weighted Average Life (Years)
Outstanding, December 31, 2020	900,000	C$1.50	4.58
Outstanding, December 31, 2021	900,000	C$1.50	3.58
Outstanding and exercisable, December 31, 2021	900,000	C$1.50	3.58
Replacement Altus options granted (Note 4)	5,405,396	C$1.91	2.90
Granted	8,030,000	C$1.40	4.97
Outstanding, December 31, 2022	14,335,396	C$1.60	4.20
Outstanding and exercisable, December 31, 2022	12,657,346	C$1.56	4.12

The assumptions underlying the fair value of new options granted were: exercise price C$1.40, market price of shares C$1.35, risk free rate 3.07%, volatility 51.1% and life of 5.0 years.

All of the outstanding unvested options vest during 2023. The expiration schedule of the 14,335,396 options outstanding at December 31, 2022 is as follows:

Year of expiry	Number of stock options	Weighted Average Exercise Price
2025	3,988,796	C$1.83
2026	282,150	C$1.92
2027	10,064,450	C$1.50

During the year ended December 31, 2022, the Company recorded $3.9 million (2021: $0.3 million) of share-based compensation expense to the statement of comprehensive loss based on the vesting of stock options.

Performance share units
The Company has certain performance share units outstanding which were issued to directors and officers. Changes in PSUs during the years ended December 31, 2022 and 2021 are as follows:

	Number of PSUs
Outstanding, December 31, 2020	2,895,109
Outstanding, December 31, 2021	2,895,109
Outstanding and exercisable, December 31, 2021	2,395,109
Outstanding, December 31, 2022	2,895,109
Outstanding and exercisable, December 31, 2022	2,555,109

On June 14, 2018, the Company issued 2,395,109 PSUs to directors and officers, expiring on June 14, 2023. The PSUs vest once the Company's share price reaches between $0.62 and $1.25 per share and a period of time has passed. 463,498 PSUs vest after 2 years if the share price reaches $0.62. The remaining PSUs vest after 3 years with 579,483 vesting if the share price reaches $0.78, 579,483 if the share price reaches $0.94 and 772,645 if the share price reaches $1.25.

On July 28, 2020, the Company issued 500,000 PSUs to certain employees of Elemental. The PSUs vest once the Company's share price reaches between C$1.70 and C$2.20 per share and a period of time has passed as follows: 160,000 PSUs vest after 2 years (July 28, 2022) if the share price reaches C$1.70 – this threshold has been met -

(Expressed in US Dollars, except where otherwise noted)

and 340,000 PSUs vest after 3 years (July 28, 2023) if the share price reaches C$2.20 – this threshold has not been met.

The fair value of the performance share units was estimated using the fair value of a common share at the grant date and various probabilities of the likelihood of the Company's stock price reaching the targets.

During the year ended December 31, 2022, the Company recorded $0.2 million (2021: $0.3 million) of share-based compensation to the statement of comprehensive loss based on the vesting of PSUs.

Warrants
Changes in share purchase warrants during the years ended December 31, 2022 and 2021 are as follows:

	Number of stock options	Weighted Average Exercise Price C$	Weighted Average Life (Years)
Outstanding, December 31, 2021 and 2020	-	-	-
Replacement Altus warrants issued	3,291,574	2.51	0.30
Outstanding, December 31, 2022	3,291,574	2.51	0.30

37,461 warrants with an exercise price of C$1.89 per share expire on March 24, 2023 and 3,254,114 warrants with an exercise price of C$2.52 per share expire on April 18, 2023. Subsequent to December 31, 2022, these warrants expired unexercised.

d) *Escrowed Shares*
On completion of reverse takeover and listing on the TSX Venture Exchange on July 30, 2020, certain principals of Elemental entered into a Tier 1 Value Escrow Agreement with the TSX Venture Exchange and Computershare Trust Company of Canada, as escrow agent, in respect of 9,564,143 Elemental common shares and 2,760,109 PSUs for aggregate escrowed securities of 12,324,252. Under the terms of the Escrow Agreement, the remaining escrowed 2,391,036 common shares and 690,028 PSUs were released from escrow on January 30, 2022.

e) *Basic and diluted loss per share*
During the year ended December 31, 2022, potentially dilutive common shares totaling 20,522,079 (2021: 3,795,109) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive. Potentially dilutive common shares are from PSUs, stock options and warrants.

14. INCOME TAXES

Income tax expense differs from the amount that would result from applying corporate income tax rates to earnings before income taxes. The differences result from the following items during the years ended December 31, 2022 and 2021:

	2022 $'000	**2021 $'000**
Loss before income taxes	(18,332)	(3,363)
Statutory tax rate of parent	27%	27%
Expected income tax recovery at statutory income tax rate	(4,950)	(908)
Difference between parent and foreign tax rate	(596)	(626)
Withholding taxes	1,236	1,363
Share-based compensation expense	1,098	172
Share of profit or loss of associate	(191)	-
Other permanent differences	(36)	(48)
Changes in unrecognized deferred tax assets	3,296	1,561
Other adjustments	22	(151)
Total income tax (recovery)/expense	(121)	1,363
Current income tax expense	1,233	1,210
Deferred income tax (recovery) expense	(1,354)	153
Total income tax (recovery)/expense	(121)	1,363

The Company has the following unrecognized tax attributes as at December 31, 2022 and 2021:

	2022 $'000	**2021 $'000**
Deferred tax liabilities		
Stream and royalty interests	(1,676)	-
Accrued withholding taxes	(35)	(153)
Investments in associates	(603)	-
	(2,314)	(153)
Deferred tax assets		
Losses	3,754	1,240
Share issue costs	723	485
Accrued interest and other	142	459
Unrecognised deferred tax assets	(4,375)	(2,184)
Net deferred income tax liability	(2,070)	(153)

The Company has Canadian tax losses of $11.6 million available to offset future taxable income. The losses expire in 2041 and 2042. The Company has United Kingdom tax losses of $8.5 million (as at December 31, 2021) and Australian tax losses of $0.9 million available to offset future taxable income that do not expire. Tax attributes are subject to review and potential adjustments by tax authorities.

15. OPERATING EXPENSES BY NATURE

	2022 $'000	2021 $'000
Salary, fees and pension	1,970	1,634
Corporate administration	347	236
Listing and filing fees	129	122
Marketing and promotion	582	697
Professional fees and consulting fees	373	717
Total (G&A and project evaluation expenses)	3,401	3,406

16. MERGER TRANSACTION AND INTEGRATION EXPENSES

Transaction and integration expenses incurred relating to the Merger were as detailed in the table below. The Company is not expecting to incur additional transaction or integration costs.

	2022 $'000	2021 $'000
Financial advisors	2,262	-
Legal fees	830	-
Audit, accounting and tax fees	262	-
Consultants and other costs	276	-
Stamp duty	298	-
Total	3,928	-

17. RELATED PARTY TRANSACTIONS

Key management includes the executive and non-executive directors and certain officers of the Company. Key management compensation during the years ended December 31, 2022 and 2021 is as follows:

	2022 $'000	2021 $'000
Salary, fees, pension and professional fees	1,185	1,281
Share-based compensation – PSUs and stock options	2,104	485
	3,289	1,766

Debt-for-equity swap of La Mancha loan

As part of the Altus Merger (Note 4), the Company acquired a loan facility provided by its shareholder LMH Explorers S.à r.l. Funds, a subsidiary of La Mancha. This loan was the subject of a debt-for-equity agreement signed on December 1, 2022. See Note 12 for details.

18. SEGMENTED INFORMATION

The Company maintains a single business segment which is its royalty and streams interests, from which it derives its revenue, including its exploration and evaluation assets from which it intends to generate royalties.

	North America 2022 $'000	South America 2022 $'000	Australia 2022 $'000	Africa 2022 $'000	Total 2022 $'000
Royalty & stream assets	12,155	908	62,745	25,470	101,278
Exploration & evaluation assets	-	-	-	2,757	2,757
	12,155	908	62,745	28,227	104,035
Revenue	1,056	995	5,085	2,503	9,639

19. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

During the year ended December 31, 2022, the following transactions were excluded from the statement of cash flows:

a) 69,689,077 common shares at a fair value of $67.3 million and $1.2 million of options and warrants were issued to acquire Altus (Note 4).
b) 28,959,797 common shares issued at a fair value of $27.6 million to extinguish the La Mancha loan including accrued interest of $2.5 million (Note 12).
c) As consideration for the sale of Aterian Resources Ltd and its Moroccan exploration and evaluation assets, the Company received 241,173,523 ordinary shares of Eastinco with a fair value of $2.92 million, 96,469,409 warrants to purchase Eastinco shares valued at $0.88 million using a Black-Scholes valuation model (making a total investment of $3.8 million) and royalties in the Moroccan Portfolio which were valued at $1.60 million (Note 22).

During the year ended December 31, 2021, the following transactions were excluded from the statement of cash flows:

a) 13,065,100 common shares were issued at a fair value of $15.0 million to acquire the South32 Portfolio;
b) 653,255 common shares were issued at a fair value of $0.8 million to settle the Sprott finance cost (Note 12).

20. FINANCIAL INSTRUMENTS

Management of Capital
Management monitors the Company's financial risk management policies and exposures and approves financial transactions.

The Company's objectives when managing capital are to provide shareholder returns through maximisation of the profitable growth of the business and to maintain a degree of financial flexibility relevant to the underlying operating and metal price risks while safeguarding the Company's ability to continue as a going concern. The Company manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new shares, acquire debt, or sell assets. Management regularly reviews cash flow forecasts to determine whether the Company has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

The Company was not subject to any externally imposed capital requirements with the exception of complying with certain covenants under the Sprott Amended and Restated Credit Facility and the La Mancha loan until December 1, 2022 and thereafter under the terms of the facility provided by NBC/CIBC. The Company was in compliance with the debt covenants in force at December 31, 2022. Details of these covenants are included in Note 12.

Fair Value of Financial Instruments
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The Company's financial instruments measured at fair value include its investments in listed securities and warrants for the purchase of securities, such as Aterian Plc.

The carrying amounts of the Company's cash and cash equivalents, other receivables, all trade and other payables and loans in the consolidated statement of financial position approximate their fair values due to their short-term nature. The estimated fair value of the NBC loan at December 31, 2022 is $30.0 million.

Discussions of risks associated with financial assets and liabilities are detailed below:
Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's maximum exposure to credit risk is attributable to cash and cash equivalents and accounts receivable relating to royalty revenues. The credit risk on cash is limited because the Company invests its cash in deposits with well capitalized financial institutions. The Company's accounts receivable is subject to the credit risk of the counterparties who own and operate the mines underlying the royalty portfolio. In order to mitigate its exposure to credit risk, the Company closely monitors its financial assets.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuing to monitor forecasted and actual cash flows. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its development plans. The Company strives to maintain sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from royalty interests, its holdings in cash and its committed liabilities.

Market risk

Market risk is the risk that the Company's future earnings will be adversely impacted by changes in market prices. Market risk for the Company comprises two types of risk: foreign currency risk and interest rate risk.

Foreign currency risk
Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's transactions are carried out in a variety of currencies, including Sterling, Australian Dollar, Canadian Dollar and US Dollar as well as Egyptian Pound and West African Franc and it is exposed to movements in the US Dollar against these other currencies. The Company has not hedged its exposure to currency fluctuations.

Sensitivity analysis has been performed to indicate how the profit or loss would have been affected by changes in the exchange rate between the US Dollar and each of these currencies. The analysis is based on a weakening and strengthening of these currencies by 10% against the US Dollar in which the Company has assets and liabilities at the end of each respective period. A movement of 10% reflects a reasonably possible sensitivity when compared to historical movements over a three-to-five-year timeframe. Based on the Company's CAD denominated monetary assets and liabilities at December 31, 2022, a 10% strengthening in CAD, GBP and AUD relative to the US Dollar would result in an increase of approximately $0.18 million in the Company's net loss. A 10% increase (decrease) of the value of other currencies relative to the US Dollar would not have a material impact on net loss.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Company uses. Treasury activities take place under procedures and policies approved and monitored by the Board to minimize the financial risk faced by the Company. Interest-bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets, and interest-bearing liabilities which comprises the loan from NBC. Depending on the company's leverage ratio, amounts drawn on the facility are subject to interest at SOFR plus 2.50% - 3.75% per annum, and the undrawn portion is subject to a standby fee of 0.56% - 0.84% per annum. An increase in SOFR to 5% would increase the interest expense and net loss by $0.2 million and an increase in SOFR to 6% would increase interest expense and net loss by $0.5 million.

21. COMMITMENTS

In December 2017, the Company acquired the Mount Pleasant royalty. A deferred payment of AU$0.4 million is due at the point a decision is taken to mine a refractory portion of the resource and funds committed to its development. The deferred payment has not been recognized as it is not considered more likely than not that the condition triggering the payment obligation will occur.

22. HELD-FOR-SALE ASSETS AND LIABILITIES AND DISCONTINUED OPERATIONS

Held-for-sale assets and liabilities are accounted for under IFRS 5 Non-current Assets Held For Sale and Discontinued Operations. Items are classified as being held-for-sale once they meet the qualifying criteria:

- management is committed to a plan to sell
- the asset is available for immediate sale
- an active programme to locate a buyer is initiated
- the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions)
- the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn

The balance of held-for-sale assets and liabilities is represented by the Diba-Lakanfla exploration project in Mali and the Birsok royalty asset in Cameroon.

The Diba-Lakanfla gold project is held by LGC Exploration Mali SARL. The project is located in western Mali and comprises the Korali Sud (Diba) licence and the Lakanfla licence, which are situated on the Senegal-Malian shear corridor within the 'Kenieba window'. The nearby Sadiola gold mine is operated by Allied Gold Corp. and the Malian government. Mining and mineralisation hosted on these properties is not necessarily indicative of a resource at Diba-Lakanfla.

The sale process triggered an impairment review of the Company's exploration asset to ascertain whether that portion of the recoverable value had fallen below its carrying value under IFRS 6. If any impairment exists this would be considered an adjusting subsequent in accordance with IAS 10, Events after Reporting Period. The Company's estimate for the recoverable value of the project was based on a best estimate of proposed purchase consideration of the sale. The model employed a blended approach of gold future curves and analyst consensus in its gold price assumptions resulting in a price of $1,875/oz for 2023-24 and long-term price of $1,644/oz. A discount rate of 5.6% was applied. The Company recorded an impairment charge of $4.35 million having determined that the carrying value of the asset exceeded the recoverable amount on December 31, 2022.

The Birsok royalty is held by Aucam SA, a subsidiary of Altus. Aucam SA was the subject of an agreement between Altus and Canyon Resources Ltd ("Canyon") dated February 6, 2019 under which Canyon agreed to acquire a 100% interest in Aucam, giving as consideration 5 million shares in Canyon and a $1.50 per tonne royalty on the Birsok project. The agreement was subject to the satisfaction of certain conditions precedent, including a reorganization of Aucam involving the transfer of other exploration assets out of the company.

Disposal of Aterian Plc:
At the Merger, the Company acquired a portfolio of fifteen exploration and evaluation assets in Morocco (the "Moroccan Portfolio"), held by Aterian Resources Ltd (Note 4). These assets were classified by Altus as held-for-sale prior to the Merger. On October 25, 2022, this asset was sold to Eastinco Mining and Exploration plc ("Eastinco"). Consideration for the sale included the following:

- 241,173,523 ordinary shares of Eastinco with a fair value of $2.92 million.
- 96,469,409 warrants to purchase Eastinco shares, which were valued at $0.88 million using a Black-Scholes valuation model.
- A retained interest in royalties in the Moroccan Portfolio which were valued at $1.60 million

The shares issued to the Company resulted in it holding a 25% interest in Eastinco (subsequently renamed Aterian Plc) and this holding was accounted for as an investment in associate (see Note 9).

The assets of LGC Exploration constitute the largest component of the Company's exploration and evaluation portfolio such that the entity has been classified as a discontinued operation. Aterian Resources was recorded as a held-for-sale asset at the Merger and therefore qualifies as a discontinued operation as the intention of the Company was to complete the disposal. The combined profit before tax of these entities included in the income statement was $533 (2021: $nil); exploration costs incurred while the entities were held for sale were capitalized.

	Assets held by Aterian Resources Ltd $'000	Assets held by Aucam SA $'000	Assets held by LGC Exploration Mali SARL $'000	Total $'000
Opening	-	-	-	-
Acquired through Merger (Note 4)	5,694	110	-	5,804
Classified as held-for-sale	-	-	23,950	23,950
Additional costs attributed to the asset	8	38	117	163
Impairment	-	-	(4,351)	(4,351)
Disposal of asset	(5,702)	-	-	(5,702)
Ending	-	148	19,716	19,864

	Liabilities held by Aterian Resources Ltd $'000	Liabilities held by Aucam SA $'000	Liabilities held by LGC Exploration Mali SARL $'000	Total $'000
Opening	-	-	-	-
Acquired through Merger (Note 4)	-	41	-	41
Classified as held-for-sale	-	-	6,222	6,222
Additional liability	-	9	-	9
Reduction of deferred tax on change in asset value	-	-	(1,320)	(1,320)
Ending	-	50	4,902	4,952

23. SUBSEQUENT EVENTS

On February 21, 2023, the Company completed the acquisition of 19 royalties from a subsidiary of First Mining Gold Corp. The transaction involved a cash payment of $3.5 million and $1.5 million in common shares, with the shares representing approximately 0.88% of the company's post-issuance share capital and subject to a six-month escrow period.

On March 9, 2023, the Company entered into a binding agreement to acquire an additional 0.025% net smelter return royalty on the producing Caserones Copper-Molybdenum mine in northern Chile for approximately $2 million in cash. This acquisition will increase the company's effective NSR royalty on Caserones to 0.443%.